



BOARD OF TRUSTEES

505 Ramapo Valley Road, Mahwah, NJ 07430-1680 DEC 15 08
Phone (201) 684-7607 Fax (201) 684-7960 5:47P

December 12, 2008

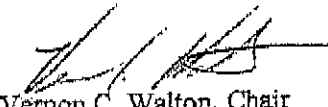
Dr. Peter P. Mercer, President
Ramapo College of New Jersey
505 Ramapo Valley Road
Mahwah, NJ 07430

Dear President Mercer:

I am pleased to report that at its meeting held on December 8, 2008, the Board of Trustees approved an increase to your annual salary. In recognition of your performance during FY2008, the Trustees authorized an increase in your annual salary to \$287,000 to be effective as of July 1, 2008. This new salary will be reflected in the paycheck issued on December 26, 2008. The retroactive amount (\$7,015.79) will be reflected in the paycheck issued on January 9, 2009.

Thank you for all you do on behalf of Ramapo College. If you have any questions, please contact me.

Sincerely,


Vernon C. Walton, Chair
Board of Trustees

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Human Resources
Employee Relations
Payroll
Budget and Fiscal Planning

OFFICE OF THE PRESIDENT

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CONTRACT

This document contains the Agreement between Dr. Peter Philip Mercer ("Dr. Mercer") and the Ramapo College of New Jersey (the "College") Board of Trustees, extending Dr. Mercer's term as President and Chief Executive Officer of Ramapo College of New Jersey effective July 1, 2007 under the following terms and conditions:

I. EMPLOYMENT. Pursuant to the terms and conditions of this Agreement, the College agrees to employ Dr. Mercer as its president and chief executive officer and Dr. Mercer agrees to serve as the president and chief executive officer of the College and to render services to the College as set forth herein.

II. DUTIES Pursuant to N.J.S.A. 18A:64-6, the President shall be an *ex officio* member of the Board of Trustees without vote and shall have charge of the administration of the College under the policies and procedures of the Board.

A. Consistent with N.J.S.A. 18A:64-8, the President shall be responsible to the Board and shall have such powers as shall be required for the executive management and conduct of the College in all departments and divisions and for the execution and enforcement of the Bylaws, rules, regulations, and orders governing the management, conduct and administration of the College

B. Consistent with N.J.S.A. 18A:64-6(h), the President shall nominate to the Board those officers and staff identified therein. The President shall not announce the prospective appointment of such persons until their appointment has been approved by the Board.

C. The President, as necessary, will engage in a variety of activities consistent with those performed by presidents of New Jersey state colleges and universities in size and type similar to the College and consistent with the direction of the Board. Those duties shall include, but are not limited to, fundraising, development, public and faculty relations, educational leadership, budgeting, long-range planning, student services, recruitment of personnel, appointment, promotion and dismissal of faculty and staff members (subject to N.J.S.A. 18A:64-6(h)), and control and supervision of all buildings, grounds, equipment and expenditures. The President shall perform all duties required or permitted by law, and by the provisions of this Agreement, and other duties incidental to the Office of the President as may be agreed in writing by the Board and Dr. Mercer.

D. The President shall devote his time, attention, energy, skill and best efforts to the Office of President of the College. The President may pursue professional external activities, such as serving on boards of not-for-profit or for-profit organizations, subject to the approval of the Executive Committee. The expenditure of reasonable amounts of time for board service and for any other charitable, civic, or professional outside activities shall not interfere or conflict with Dr. Mercer's duties and responsibilities to the College under this agreement. Any income or other compensation earned by the President in connection with board service or other outside activities shall be paid to and retained by the President and reported in accordance with applicable law and established College policies and procedures. Such income or compensation shall have no effect on the amount of salary, benefits, or other compensation to which the President may be entitled under this Agreement or any pension plan.

E. The President acknowledges that he owes to the College a duty of loyalty that includes, but is not limited to, a duty while employed to keep the College fully informed of all relevant information, a duty not to divulge or release confidential information as set forth in Article VII below; a duty not to compete with the College while employed by the College; and a duty while employed not to disparage the College, its employees or services.

III. TERMINATION OF OFFICE - Consistent with N.J.S.A. 18A:64-6(g), the President shall serve at the pleasure of the Board. It is therefore understood that the President shall serve "at will" unless and until he is terminated by (a) mutual consent of the parties; (b) retirement; (c) voluntary resignation in accordance with clause III D. by at least one hundred twenty (120) days prior written notice by the President to the Chair of the Board; (d) permanent disability, as defined below; (e) death; (f) the Board, on a majority vote of its members without cause at any time with at least one hundred twenty (120) days prior written notice from the Chair of the Board to the President; or (g) the Board, on a vote, for cause at any time.

A. "For cause" shall be defined as any material breach by the President of this Agreement, any intentional violation of his duties which results in substantial detriment to his Office or the College, commission of any act which could be prosecuted as a crime or felony; or any intentional act or knowing omission which involves dishonesty or moral turpitude. Notwithstanding any of the other provisions of this agreement, in the event of a termination "for cause," the President shall be entitled only to salary, insurance and pension benefits for a period of one (1) month from the effective date of such termination; and housing for one (1) month from such effective date. No such termination will be effective until the President has been given at least thirty (30) days notice specifying the "cause" and the right to be heard by the Board, whose determination by a majority vote of its members as to the existence of "cause" shall be final and conclusive. Notwithstanding the provisions set forth herein, from and after the date of any notice of "cause," the Board shall have the right to suspend the President's employment with pay

pending completion of the hearing by the Board. Termination of the President "for cause" pursuant to this paragraph shall not bar the College from taking appropriate action against the President in his status as a tenured full Professor.

B. In the event the Agreement is terminated by mutual consent of the parties, both parties shall at that time agree in writing to the terms, conditions, compensation and benefits of the termination.

C. In the event the President is terminated by (1) permanent disability, defined as the inability to perform the essential functions of his job for a period of one hundred twenty (120) consecutive days; or (2) dies in office, this Agreement shall cease immediately upon such event and shall no longer be binding upon the College except that if Dr. Mercer's surviving spouse is living in the President's house, and is otherwise entitled to reside in the United States, she may continue to reside in the President's house for a further period of up to three (3) months and the College shall continue to pay for the repair, maintenance and upkeep thereof.

D. Term Notwithstanding the above, and not intending to conflict with the "at will" employment established hereunder, the Board's appointment of the President under this Agreement is for a term of four (4) fiscal years. Both parties intend that the President will serve the entire four year term of this Agreement. To that end, the President will inform the Chair of the Board if he is considering taking up any other position during the four year term of this Agreement or if any other institution has approached him with an offer. Furthermore, unless the President's reason for not serving the full four year term is due to a medical emergency involving a family member (defined as the President himself, the President's children and spouse or the parents or siblings of the President or his spouse), the Board may pursue legal proceedings enjoining the President from taking up any other position during the term of this Agreement. The President will advise the Board fourteen months before the expiration of this Agreement if he wishes to be considered for a further term of appointment as President.

E. Severance In the event the Board decides not to extend the appointment beyond the term of this Agreement, the Board shall give the President one full year's notice of the intention not to renew and the President shall receive severance pay equal to his salary as President at the time of severance for the next six (6) successive months. If the Board otherwise revokes this Agreement in accordance with its terms for any reason other than "for cause" as defined in Section III.A of this Agreement, the President shall receive severance pay equal to his salary as President at the time of severance for the next twelve (12) successive month period. Such severance pay shall be payable in bi-weekly installments, the first of which shall be payable within two (2) weeks of notice being sent to the President. Such severance pay shall be payable through the normal College payroll system, subject to all applicable federal, state and local withholding requirements. The payment of such severance pay shall be conditional upon the President taking a leave off campus for the period after such termination. Thereafter he will become a full-time member of the teaching faculty and his faculty salary shall be at the highest defined salary point for a Full Professor under the collective agreement applying to full-time

faculty. During such time as the President is a member of the teaching faculty as set forth above, he shall teach a full teaching load unless other alternative assignments are approved by the Board. The President shall not be entitled to receive severance under this paragraph if he is terminated "for cause" in accordance with Section III.A of this Agreement.

IV. COMPENSATION The compensation to be paid to the President pursuant to this Agreement is as follows:

A. BASE SALARY Base salary ("Base Salary") shall be paid as follows, in accordance with the College's regular payroll practices: The President's base salary in each fiscal (July 1 – June 30) year shall be set by the Board in light of the annual evaluation of the President's performance as set forth in Article VI below.

B. HOUSING During the term of this Agreement, the President is required to reside in the College-owned president's house (the "Havemeyer House") located at 510 Ramapo Valley Road, Mahwah. The residence will also serve as a location for entertaining guests such as students, legislators, donors, potential donors, visiting dignitaries, faculty, administration, staff and trustees.

The first floor of the house will be used for official entertaining. The College will be responsible for furnishing, maintaining and cleaning of the first floor. The President and his family will reside in the second floors and above ("Presidential Residence"). The President is responsible for furnishing, maintenance, decorating and cleaning of the Presidential Residence. The first floor kitchen and back room are to be shared between the College and the President. The College will be responsible for maintenance and cleaning of the first floor kitchen after it has been used for College functions. All capital improvements to the house must be approved by the Capital Improvements Committee of the Board of Trustees.

The College will provide the President with an annual housing allowance of \$20,000 for the maintenance (electrical, plumbing and appliance repairs) and cleaning of the Presidential Residence. Any remaining funds may be used at the discretion of the President for any other related housing expenses, including the purchase of furniture. Any unused funds will not carry over fiscal years. The President will be responsible for securing all such services from outside contractors.

✓ The College will provide funding for the maintenance of the house. It will fund all utilities (gas, electric, water and sewer), cleaning of the first floor, lawn care, pest control, snow plowing, window washing and any repairs to the house including the heating and air conditioning systems.

C. DEFERRED COMPENSATION In addition to the other compensation set forth herein, the College will establish a deferred compensation plan ("Plan"). The parties agree that the plan will have the following elements:

1. Commencing July 1, 2007, and on the anniversary of such date for each fiscal year thereafter, until termination of employment of Dr. Mercer as President, a deferred compensation payment of \$25,000 shall be paid into a Plan established by the College for the President. Each fiscal year's payment shall be due and payable on the first day of such fiscal year only if employment of Dr. Mercer as President has not ended prior to that date.

2. Vesting Amounts deposited in the plan as payments shall be in consideration for the President's continued employment through the end of the fiscal year ending June 30, 2011. The "vesting date" for all deferred compensation payments payable from July 1, 2007 through June 30, 2011 shall be June 30, 2011 assuming that employment of Dr. Mercer as President has not been terminated prior to that date in accordance with Article III above. Dr. Mercer will be responsible for complying with all applicable taxation laws and the College will not be responsible for any ensuing tax liabilities.

3. Substantial Risk of Forfeiture To be entitled to payment of the deferred compensation payment deposited in the Plan prior to June 30, 2011, the President must continue to serve as President of the College until June 30, 2011, unless prevented from doing so by earlier death or permanent disability as set forth in Article III, Section C, above. If Dr. Mercer fails to serve as President for the length of the term other than because of earlier death or permanent disability, the President's rights to the deferred compensation payment shall be forfeited.

D. BENEFITS The President shall receive maximum fringe benefits ("Benefits") accorded to faculty or executive administrators of the College including, without limitation, those listed below:

1. Health Insurance The President shall be entitled to health insurance coverage during the term of this Agreement for himself and his spouse under the health plans that are available to other executive administrators of the College.

2. Retirement The President shall be entitled to pension benefits consistent with the benefits granted to other executive administrators of the College.

3. Disability and Life Insurance The President will be entitled to disability and life insurance coverage consistent with the benefits granted to other executive administrators of the College.

4. Automobile During the term of this Agreement, the College will provide a newly purchased or leased (grade equivalent to a Buick Rainier as customarily

equipped) mid to full size automobile for official business every three (3) years. The automobile will not bear a State or College seal or other designation. The President and other members of his immediate family may use it for personal and family matters so long as personal use is reported to the College for tax-reporting purposes. The College will provide reasonable insurance coverage for comprehensive general liability and other customary coverage, provided that if the premiums thereon are increased by reason of the driving record of the President or any member of his family, he will be required to reimburse the College for the additional premium. The College will provide maintenance on the automobile and pay for gas used for official College business.

5. Telephones The College will provide the President with telephone and fax service in the president's house, a cell phone and a Blackberry communication device. These phones may be used for personal calls so long as the President reimburses the College for the direct cost of any long distance personal calls.

6. Sick Leave The President shall earn and accumulate sick leave in the same manner as other executive administrators of the College.

7. Vacation The President shall be eligible for four (4) weeks paid vacation each year during the term of this Agreement. Vacation time is not cumulative and will lapse if not taken within three (3) months of the end of any fiscal year.

8. Sabbatical Leave As of July 1, 2010, provided that the President is continuing to serve the fourth year of this Agreement, the President will become eligible for a four month sabbatical leave with full pay, benefits and perquisites at a time mutually to be agreed upon with the Chair of the Board. The President will be eligible for other similar sabbatical leaves at five (5) year intervals as long as he serves as President.

9. Professional Dues Subject to the approval by the Executive Committee, the College will be responsible for the dues to professional organizations for the President up to the amount of \$2000. These organizations shall be in connection with the professional development of the President.

10. Travel Expenses The College will be responsible for reasonable expenses of the President for travel on College business. Travel expenses include economy airfare and other transportation costs, hotels, and the meals of others for College business. When the business purpose involves an event, conference or meeting where other attendees will be accompanied by their spouses, the College will pay the reasonable expenses for the spouse of the President.

The President will be supplied with a credit card. Upon receipt of the credit card bill or any other bill for travel related expenses, the President will indicate the purpose of the expenses on the bill and attach receipts and submit the bill to a member of the Executive Committee of the Board of Trustees for approval. One member of the Executive Committee will be designated as the approver. The bills are to be submitted on a monthly basis.

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The President will seek written approval in advance of a trip from the designated member of the Executive Committee for travel outside the State of New Jersey where the estimated cost of the travel exceeds \$2000. The President will submit a written request describing the nature of the trip, the business purpose and the estimated cost.

11. Discretionary Funds The College will provide the President with an annual budget in the amount of \$15,000. This budget can be used for any miscellaneous expenditure as determined by the President as long as they adhere to the State purchasing regulations. Examples are donating to student cause, supporting student or faculty travel or contributing to a campus function.

V. ANNUAL PERFORMANCE EVALUATION On or before April 30th in each year, the President and the Board of Trustees shall prepare a list of proposed goals and objectives for the twelve-month period beginning on July 1st. On or before May 1 of each calendar year, the President shall initiate the evaluation process by submitting to the Board a self-appraisal of his performance during the year. The Board shall evaluate the President's performance based upon the President's achievement of the mutually agreed upon specified goals and objectives and such other criteria as the Board deems appropriate. To aid the Board in its annual evaluation, the President agrees to furnish to the Board such additional oral or written reports as it may request. The Board will provide the President with its evaluation by July 1st in each year.

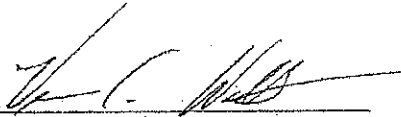
VI. REVIEW OF COMPENSATION The President's compensation package shall be reviewed by the Executive Committee of the Board of Trustees at the time of the annual performance evaluation and in any event not less than every twelve (12) months during the term of appointment.

VII. CONFIDENTIALITY The President shall not use, communicate or divulge any "confidential information" gained by virtue of his employment as president of the College. For purposes of this Agreement, "confidential information" is defined as any information regarding the methods, business policies, procedures, recruiting or funding techniques, research or development projects or results, historical or projected financial information, budgets, or any other confidential information relating to or dealing with the business operations or activities of the College. Confidential information shall not include information otherwise lawfully known generally by or readily accessible to the general public. At the termination of the President's employment with the College, he shall return to the College all copies of confidential information in any medium.

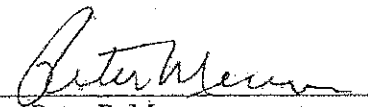
VIII. IMMIGRATION DOCUMENTATION The President will be responsible for securing an extension of the visa documentation permitting him to work in the United States. The College agrees to assist the President in securing such extension including the application for a "green card" pursuant to advice received from legal counsel. The College agrees to pay up to \$13,500 in legal fees plus up to \$2,200 in disbursements towards the legal costs of securing such documentation.

IX. OTHER POLICIES The Board of Trustees may, from time-to-time, adopt policies that provide benefits or perquisites to the President or the President's family that are not included within this Agreement. Such benefits or perquisites are not part of the terms and conditions of employment pursuant to this Agreement and may be modified at any time without affecting the terms of this Agreement.

X. DISPUTE RESOLUTION The parties agree that any dispute pursuant to this Agreement shall be governed, subject to, and interpreted in accordance with the laws of the State of New Jersey in the courts of New Jersey without regard to conflicts of interest law. This Agreement is subject to the laws of the State of New Jersey including without limitation, the *New Jersey Contractual Liability Act*, N.J.S.A. 59:13-1 et seq., the *New Jersey Higher Education Laws*, N.J.S.A. 18A:1-1 et seq. and the *Conflicts of Interest Law*, N.J.S.A. 52:13D-12 et seq.


Dr. Vernon C. Walton
Chair, Ramapo College Board of Trustees

7/20/07
Date


Dr. Peter P. Mercer
President, Ramapo College of New Jersey

7/20/07
Date